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SENSITIVE
SIPDIS

STATE FOR WHA/CAR (BPREMONT/ACADIEUX, VDEPIRRO, WSMITH)
WHA/EPSC (MROONEY, FCORNEILLE)
EEB/ESC/IFD/EPC (MMcMANUS)

SANTO DOMINGO FOR FCS AND FAS
TREASURY FOR ERIN NEPHEW

E.O. 12958: N/A
TAGS: [ECON](#) [TRY](#) [ENRG](#) [EFIN](#) [EINV](#) [ETRD](#) [EAIR](#) [IADB](#)
IBRD, IMF, KCOR, KIPR, XL, JM
SUBJECT: JAMAICA: OLINT'S BOSS ARRESTED IN TURKS AND
CAICOS

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(B) 08 KINGSTON 704 (042015Z AUG 08)
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1. (SBU) Summary: After months of investigations, David Smith, head of the alternative investment scheme OLINT, has been arrested by the Turks and Caicos Islands (TCI) police. Charged on eight different counts, he has been released on USD 1 million bail and is expected to return to court in August. This action was the latest setback for Smith and his beleaguered scheme, as only three weeks ago the TCI High Court refused to lift a freeze order on his assets. The UK Privy Council also handed down a ruling allowing Smith's account at National Commercial Bank to be closed. Matters are expected to become even more interesting, given the dissemination of an e-mail purporting to include a list of OLINT investors as well as written dialogue involving a number of influential Jamaicans, including government members. End summary.

Smith's Woes Deepen

2. (SBU) Following months of criminal investigations, reputed financial genius and head of the failed alternative investment scheme OLINT Corporation (reftels A,B,C), David Smith, was arrested by the Turks and Caicos Islands (TCI) police on February 6. He has been charged with: (1) two counts of uttering forged documents; (2) four counts of false accounting; and, (3) two counts of theft. Smith has been released on USD 1 million bail. This latest development comes less than a month after the TCI High court refused to lift a freeze order on his assets. The court had ruled that the application could be renewed after March 11, but ordered that details of the judgment should not be released to the public. Just last month the embattled investment scheme suffered a setback to its legitimacy, when the UK-based Privy Council gave National Commercial Bank (NCB) the green light to close the scheme's accounts (reftel A). A spokesman for the TCI police also suggested that they might seek assistance from other jurisdictions, including Jamaica. However, local police have reiterated that they have not yet received any formal complaints of fraud from Jamaica against the OLINT boss.

Investors Losing Hope

¶3. (SBU) After the latest developments, even some of Smith's most faithful followers are beginning to accept that their investments might well be lost. This in spite of Smith's messianic overtures on a radio program last week, when he again called on Jamaicans to pray for a successful outcome to his legal woes. Smith went on to liken his current situation to the biblical story of Jonah and the whale. Asked to comment on what Smith meant by this latest characterization, one analyst opined that perhaps he needed a period to contemplate, while another said he knew people were praying and keeping hope alive. One businessman, who admitted that he took a heavy loss, said it was easy for him to move on, as unlike a number of investors he had not mortgaged his properties to invest in the faltering scheme. Another US-based investor, Dr. Garth Walker, who claims to have invested USD 2.4 million, failed in his bid to have the Supreme Court bar NCB from paying over the money it was holding in accounts maintained by OLINT. Walker told the court he feared that if the money were paid over to OLINT it could dissipate.

JLP-OLINT Nexus?

¶4. (SBU) The OLINT saga is set to take another interesting twist, as a series of e-mails have emerged linking the ruling Jamaica Labour Party (JLP) with the floundering investment scheme. The e-mails ostensibly include conversations between now prominent government officials, JLP financiers, and OLINT functionaries during the period leading up to and following the closely

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contested 2007 general elections (reftel D). The e-mail chain also contains a list of investors which includes some of the most influential Jamaicans. More surprising though, is the list of financial institutions purporting to be either directly maintaining accounts with the high paying investment scheme or investing funds on behalf of their clients. Ironically, one of the listed companies was, and continues to be, the main critic of alternative investment schemes. Post will provide further reporting and analysis via septel.

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